

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

SHEILA SWEENEY,

Defendant.

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4:19-wi-00012-CDP

INFORMATION

THE ATTORNEY FOR THE UNITED STATES CHARGES:

COUNT ONE
MISPRISION OF A FELONY

Introduction and Background

At all times material to this Information:

1. The St. Louis Economic Development Partnership's (hereinafter "SLEDP") stated purpose was to function as the economic development agency serving St. Louis County and City.
2. The St. Louis County Port Authority's (hereinafter "Port Authority") stated purpose was to promote general welfare, encourage private capital investment, increase the volume of commerce and promote the establishment of a foreign trade zone within the County port district.
3. Steven V. Stenger was the elected County Executive for St. Louis County. Stenger's office vested him with actual and perceived authority and influence over, among other things, the hiring of St. Louis County employees, as well as the hiring of SLEDP and Port Authority employees. Stenger appointed the majority of the Board of Directors for SLEDP, and all of the Board of Directors for the Port Authority.

4. Stenger's office also vested him with actual and perceived authority and influence over the awarding of certain contracts and grants by St. Louis County, SLEDP, and the Port Authority.

5. Stenger's office also vested him with actual and perceived authority over certain other public officials, including but not limited to SLEDP Chief Executive Officer, defendant SHEILA SWEENEY, St. Louis County Chief of Staff, William Miller, St. Louis County Chief of Policy, Jeff Wagener, St. Louis County Chief of Operations, Michael Chapman, Special Assistant to the County Executive Thomas Malecek, St. Louis County Director of Administration Pam Reitz, and St. Louis County Director of Legislative Affairs, Shannon Weber.

6. Steven V. Stenger served as the St. Louis County Council Member from the 6th District from 2009 through 2014. Stenger took office as County Executive in January 2015 and was re-elected in November, 2018. As such, Stenger owed the citizens of St. Louis County his honest services.

7. State of Missouri Revised Statute 576.020 (Public Servant Acceding to Corruption) makes it a felony crime for a public servant, such as Stenger, to knowingly solicit, accept, or agree to accept any benefit, direct or indirect, in return for his official recommendation, decision, action or exercise of discretion as a public servant.

8. State of Missouri Revised Statute 576.010 (Bribery of a Public Servant) makes it a felony crime for a person to knowingly offer, confer or agree to confer upon any public servant, such as Stenger, any benefit, direct or indirect, in return for the public servant's official recommendation, decision, action or exercise of discretion as a public servant.

9. Defendant SHEILA SWEENEY was the Chief Executive Officer of SLEDP, having been recommended to that position by Stenger during in or about August, 2015. SWEENEY also was the Executive Director of the Port Authority, and she served on the Board of the Land Clearance for Redevelopment Authority for St. Louis County (hereinafter "LCRA"). SWEENEY's office vested her with actual authority and influence over, among other things, the hiring of SLEDP employees, as well as the hiring of Port Authority and LCRA employees. SWEENEY's office also vested her with actual and perceived authority and influence over the awarding of certain contracts and grants by SLEDP, the Port Authority, and LCRA. SWEENEY's office also vested her with actual and perceived authority over certain other officials, including but not limited to SLEDP Vice President and Director of Real Estate, Joseph Bannister, and SLEDP General Counsel, Dustin Allison. In her positions, and because SLEDP, the Port Authority, and LCRA were funded in part by St. Louis County funds, SWEENEY owed the citizens of St. Louis County her honest services.

10. John Rallo had a background in the insurance business, and for a period of time owned and operated several St. Louis area bars and nightclubs. During 2006, Rallo started Cardinal Creative Insurance Group (hereinafter "Cardinal Insurance"), an insurance brokerage company located in Clayton, Missouri. Rallo had no background in marketing or consulting.

11. On or about October 23, 2014, Rallo was introduced to Stenger by one of Rallo's closest friends, ("SW") when the three had dinner at Sam's Steakhouse in South St. Louis County. At that time, Stenger was campaigning for St. Louis County Executive, and SW introduced Rallo to Stenger in the hope that Stenger, if elected County Executive, could help Rallo get insurance contracts with St. Louis County. SW was a donor to Stenger, and also recruited other individuals

to donate to Stenger's campaign. During the dinner, Stenger accepted a campaign donation of \$5,000 from Rallo, and Rallo understood that Stenger would help Rallo get insurance contracts with St. Louis County if Stenger was elected County Executive. During that dinner, Rallo told Stenger that he was tired of giving money to politicians and not getting anything in return. Stenger made statements to assure Rallo that, if elected County Executive, he would work to help Rallo get St. Louis County contracts. In addition to the \$5,000, Rallo also paid for Stenger's dinner that evening.

12. Rallo continued to make political donations to Stenger throughout 2015, 2016, 2017, and into April, 2018, all with the understanding from Stenger that in exchange he would help Rallo and Cardinal Insurance get insurance contracts with St. Louis County and, ultimately, help Rallo get a consulting contract from the Port Authority. Stenger also helped Rallo and a group known as Wellston Holdings, LLC obtain land in Wellston, Missouri for development purposes. Rallo also held several fundraisers for Stenger where Rallo invited friends and associates who also made political donations to Stenger. During 2015, Stenger requested that Rallo become a member of Stenger's "Trustee" program, a group of individuals who agreed to donate \$2,500 to Stenger each quarter, for a total of \$10,000 per year. Rallo agreed to become a Trustee, and also recruited one other member of Wellston Holdings, LLC to become a Trustee. Together, Rallo and the other member of Wellston Holdings, LLC personally donated approximately \$50,000 to Stenger, and obtained additional political donations for Stenger through several fundraisers.

13. During 2015, in exchange for continuing political donations from John Rallo, Stenger took official actions in order to help Rallo and Rallo's company, Cardinal Insurance, obtain the St. Louis County contract for employee voluntary benefits insurance. Stenger directed

several members of his executive staff, including Jeff Wagener, Mike Chapman, Thomas Malecek, and Shannon Weber, to communicate Stenger's direction to the Director of Administration, Pam Reitz, to award the insurance contract to Rallo and his company. Despite Stenger's actions, Rallo's company was not awarded the insurance contract during 2015.

14. During this same time period, Stenger and Rallo discussed the possibility of Rallo getting a consulting contract. Rallo was good friends with the television personality Montel Williams, and Rallo and Stenger discussed teaming with Williams on a consulting contract to purportedly provide marketing to address the negative publicity leftover from the Ferguson unrest following the shooting death of Michael Brown. Rallo had no experience in marketing or consulting, but he continued to make political donations to Stenger, and hold fundraisers for Stenger based upon Stenger's representations that he would work to get Rallo one or more of these contracts. It was during this period of time that Stenger suggested getting Rallo the consulting contract through SLEDP, and the Port Authority. Based upon his discussions with Stenger, on March 13, 2015, Rallo formed Cardinal Creative Consulting, LLC (hereinafter "Cardinal Consulting") for the specific purpose of obtaining the promised consulting contract.

15. As he promised, Stenger worked to get Rallo the consulting contract through the Port Authority.

August 4, 2015:

Rallo: Steve, who should I be reaching out to re: the consulting?
Would like to start that process. Also, I know the insurance RFP
was stopped, but the goal was to write the business...Any
suggestions??

During September, 2015, Stenger directed Jeff Wagener, the St. Louis County Chief of Policy to work with Rallo in getting Cardinal Consulting the consulting contract through SLEDP.

September 17, 2015:

Stenger: Jeff and John: this is a group text with John Rallo and Jeff Wagener. I need to put u guys together for a meeting to discuss Montel acting as a spokesperson and doing pr rehab for county thru Econ council as Jeff and I discussed earlier today. Please set asap.

Jeff Wagener: Ok

Rallo: Jeff, I'll reach out to you tomorrow to set something up.
Thanks Steve

Stenger also discussed the proposed consulting contract with defendant SHEILA SWEENEY, the Chief Executive Officer of SLEDP; Stenger made it clear to her that Rallo was a "donor," and directed SWEENEY to make sure Rallo and Cardinal Consulting got a consulting contract. SWEENEY had been appointed to her SLEDP position at Stenger's recommendation, and Stenger told Rallo that SHEILA SWEENEY would do what Stenger told her to do. Rallo met with SWEENEY in her office during October, 2015 to discuss the consulting contract. SW also attended this meeting, as SW had known SWEENEY for many years. Rallo and SW had agreed between themselves, but unbeknownst to SWEENEY, that Rallo would share some of the proceeds from the consulting contract with SW as payback for SW originally introducing Rallo to Stenger. The meeting lasted only 10 to 15 minutes and did not involve a substantive discussion of the purported consulting contract. SWEENEY asked Rallo what amount he wanted on the consulting contract, and Rallo requested \$350,000. SWEENEY told Rallo that she did not think she could get him that large a contract, but she would discuss it with Stenger. Rallo, who had made a \$2,500 political donation to Stenger on October 19, 2015, then discussed the matter with Stenger.

October 28, 2015:

Rallo: Spoke w/ Sheila re: Montel....sounds like things are not going to move forward. Diametrically different from our

conversation in your office. Let me know when you have a min to talk.

Stenger: The 350k won't work for their budget but some other amount would.

Rallo: I understand. What is the number? Would like to discuss with you. You know what we're trying to accomplish...need a 5 min call, I'm avail the rest of today

In further discussions with Stenger and SWEENEY, Rallo learned that SWEENEY was going to issue the consulting contract through the Port Authority, and that the amount of the contract would need to be \$100,000 in order for SWEENEY to "push" the contract through the Port Authority Board. Rallo was led to believe that the initial consulting contract would be for a 6 month term at \$100,000, and then renewed for an additional 6 months for an additional \$100,000, for a total contract value of \$200,000. Discussions between SWEENEY, Stenger, and Rallo concerning the consulting contract continued throughout Fall, 2015 and into 2016.

January 13, 2016:

Stenger: Have you made contact with Sheila at the partnership since we spoke?

Rallo: I have not, I was going to send you a one page bullet pt outline as we discussed. Should I reach out to her again directly?

Stenger: Shoot me the one pager when u can. I am meeting with Jeff Wagener now talking about things we need to take care of soon and this was on my agenda

Rallo: Will do....what email address should I send it to

Stenger: Can u send me over a hard copy

Rallo: Yes, will drop it off later today or first thing in the am

Stenger: Perfect. I would like to get that moving :)

January 14, 2016:

Rallo: Did proposal look ok??

January 19, 2016:

Rallo: Any feedback on proposal? Next steps??

January 22, 2016:

Rallo: Steve, let me know where we're at with the proposal....

Stenger: I will advise. I had an initial convo with peep and am having another next week

Rallo: I assume peep is Pam Reitz?

Stenger: Sheila

Rallo: Right...that's who I meant....

16. Beginning during February, 2016, Rallo and Stenger began discussing the St. Louis County employee voluntary benefits insurance contract again, with the idea that Cardinal Insurance would be awarded the contract later in the year when the current contract expired. Stenger again took official action in an effort to get the insurance contract awarded to Rallo and his company. Stenger directed several of his top staff members, including Jeff Wagener, Shannon Weber, and Thomas Malecek to speak with the County's Director of Administration, Pam Reitz, to let her know Stenger's preference that Rallo's company receive the contract. Nonetheless, once again the County Director of Administration determined not to award the contract to Rallo's company. Stenger and Rallo also continued to discuss the consulting contract.

February 27, 2016:

Rallo: Steve, what's the latest on the consulting?? Would like to get some direction. John

March 3, 2016:

Rallo: Still going to try & do something with Montel??

Stenger: Yes I am....I am working on it now

March 15, 2016:

Stenger: I will have some news on ur project

Rallo: Sounds great. See you Friday morning

March 18, 2016:

Rallo: Great mtg w/ Sheila [Sweeney]. All is well! Thanks

Stenger: Great

Throughout this time period, Stenger continued to solicit and accept political donations from Rallo while at the same time promising and working to get Rallo contracts with St. Louis County.

Rallo also recruited another member of Wellston Holdings, LLC to become a "Trustee," political donor to Stenger.

April 21, 2016:

Rallo: I might want to take another Trustee spot...fill you in tomorrow

Stenger: Ok. I like that

Rallo: I figured you wouldn't mind ;-)

Rallo and his business partner in Wellston Holdings, LLC met with Stenger on May 4, 2016, at which time the business partner gave Stenger a \$10,000 political donation and agreed to become a regular political donor in Stenger's Trustee program. During this meeting, in addition to discussing the potential insurance contract, and the potential consulting contract, the three men discussed possible land sites in St. Louis County that Stenger could help Wellston Holdings, LLC

purchase and develop. Rallo recruited his business partner to make the political donation to Stenger, and to become a Trustee donor, based upon Stenger's representations that he would help Wellston Holdings, LLC obtain property owned by St. Louis County.

May 4, 2016:

Stenger: Thank you John and please pass my thanks to [Rallo's business partner]. I'm glad u guys came by.

Rallo: Will do. Glad to help. Could you let SHEILA [SWEENEY] know we spoke....

Stenger: Done it

17. During April, 2016, at Stenger's direction, and based upon the discussions with Rallo, defendant SHEILA SWEENEY caused the Port Authority to issue a Request for Proposals for Media Consultant ["RFP"]. Responses to the RFP were due April 25, 2016. In addition to being the Chief Executive Officer of SLEDP, SWEENEY was also the Executive Director of the Port Authority, an affiliated organization of SLEDP. SWEENEY was directed by Stenger to award the Media Consultant contract to Rallo's company, Cardinal Consulting. SWEENEY had several discussions with Rallo concerning the proper wording of the Port Authority's RFP, and SWEENEY also reviewed and recommended revisions to Cardinal Consulting's responsive bid to the RFP.

April 18, 2016:

Rallo: All is well. Just was following up to see if there was any action required on my end for the RFP and confirm our mtg for next Mon the 25th w/ Montel

SWEENEY: No real action but let's chat tomorrow to be sure we have everything covered. Thanks

Rallo: Sounds great. What time is a good time for you?

SWEENEY: About 4:00

Rallo: Perfect. Call you on your cell

SWEENEY: That's fine.

April 21, 2016:

Rallo: Hi Sheila, I just emailed you a copy of the draft proposal [Cardinal's responsive bid to the RFP]. Let me know if you think we should add anything. Thanks.

SWEENEY: I'm good with it.

Rallo: I'll send a formal hard copy tomorrow

April 22, 2016:

Rallo: I just noticed a change that I need to make in the wording of the Proposed Fees sec. Will clarify and submit tomorrow. Thanks Sheila

April 25, 2016:

Rallo: Hi Sheila, just wanted to confirm that you received our RFP [Cardinal's responsive bid to the RFP]. Look forward to seeing you around 2-2:15

SWEENEY: Yes. Have the amended one. See you then.

As Rallo had been directed by Stenger and defendant SWEENEY, Cardinal Consulting's responsive bid called for a six (6) month renewable term at \$100,000 per each six (6) month term. Cardinal Consulting's entire responsive bid consisted of a 1 ½ page letter. The Port Authority received other responsive bids to the RFP in addition to Cardinal Consulting's bid. One or more of the other responsive bids were from individuals and companies with actual marketing experience, and the other responsive bids were lower in cost than Cardinal Consulting's bid. Nonetheless, as Stenger had directed her, defendant SWEENEY recommended and urged the Port

Authority Board to approve Cardinal Consulting's bid as the winning bid, and the Board followed SWEENEY's recommendation and approved Cardinal Consulting's consulting contract.

May 10, 2016:

SWEENEY: Port passes your contract. Good to go.

Rallo: Great news!! What's the next step? Are you avail for a call sometime tomorrow?

SWEENEY: Yes

18. Following the Port Authority's vote to award the consulting contract to Cardinal Consulting, it took several months for the Port Authority to provide the actual Agreement, or Memorandum of Understanding ["MOU"] between the Port Authority and Cardinal Consulting to Rallo.

June 7, 2016:

Rallo: Anything I need to be doing re: MOU w/ Montel?

Stenger: I think we r good. Let me c what's up

Rallo: Thanks

Stenger: No problem. I don't think there is a problem at all. Maybe just normal time frame stuff.

Rallo: I didn't think so, but hadn't heard back from Sheila....

Stenger: You got it. I'm with Jeff Wagener this morning. I'll talk to him and get u some time frame and answers

During this same time period, before Rallo had received the actual consulting contract, defendant SWEENEY telephoned him and requested to meet with him in his office, she didn't want to discuss what she needed to tell him over the telephone. When SWEENEY arrived at Rallo's office, she explained to him that she had modified the total payments under the Cardinal Consulting contract

to \$130,000, not the bid upon and requested \$100,000. SWEENEY had added the additional \$30,000 to the consulting contract because Stenger had directed her to give a job or a contract to an individual, JC. JC was a close associate of a public official who had helped Stenger get out the vote in the November, 2014 County Executive election, and Stenger's direction to hire JC or give JC a contract was payback for that. SWEENEY determined that paying JC through the Rallo contract would meet Stenger's directive. SWEENEY advised Rallo that he should pay JC the \$30,000 over the term of the contract. Rallo had no prior knowledge of JC, and understood from SWEENEY that JC would not do any actual work under the consulting contract, but needed to be paid the \$30,000. JC was anxious to get payback for his and the public official's efforts on behalf of Stenger during the 2014 election, and Stenger continued to put pressure on defendant SWEENEY to do something for JC.

May 19, 2016:

Stenger: Attorney SS is asking about [JC]. I asked him to do a group text can we get back to him with status

Jeff Wagener: OK. Sheila is working something up with the Port Authority. I'll get an update from her.

Stenger: OK. Please reply on that group text and I will say something encouraging.

Jeff Wagener: (group text to Stenger and attorney SS) I am working with Sheila and we are putting together a contract through the port authority. We should have something in the next week.

Stenger: (group text to Jeff Wagener and attorney SS) Great that sounds great.

Stenger: (text to Jeff Wagener) We need to own the partnership as our own. Today sucked c---.

19. On or about July 14, 2016, Rallo received the Consulting Agreement which did, in fact, call for total payments of \$130,000. SWEENEY did not “report” to the Port Authority Board that she had increased Rallo’s consulting contract until December, 2016, when the Port Authority’s General Counsel noticed the additional \$30,000 had not been disclosed and advised her that it needed to be put in the “report” to the Board. At no time did the Board formally approve the increased contract price. Rallo and Cardinal Consulting did no actual work under the Consulting Agreement. Rallo was required to submit monthly reports to the General Counsel of SLEDP detailing the work purportedly done by Cardinal Consulting, and Rallo simply made up false information to include in each of those monthly reports. During August, 2016, JC contacted defendant SWEENEY and asked about his promised payments. SWEENEY contacted Rallo, and requested Rallo contact JC and begin paying him.

August 3, 2016:

SWEENEY: Hey John. I’m on vacation but just got a text from JC asking the status of his work. He’s the guy I asked about helping out. Please touch base with him. He’s close to [Public Official].

Rallo: I don’t have any of his contact info. Does Jeff Wagener have it?

SWEENEY: I do. Hang on. [SWEENEY then forwarded JC’s contact information to Rallo]

Rallo: Thanks.

SWEENEY: We need to chat as soon as I get back so you know how JC fits in. In the meantime if you can get him calmed down that he is “part of team” that’s perfect. I’ll be in office the 15th. Or if you prefer to talk prior that will work as well.

Rallo contacted JC and, on or about August 5, 2016, JC came to Rallo’s office to pick up his first check. Rallo had JC complete an IRS tax form in order to make the relationship appear legitimate,

and gave him the first \$5,000 check, made out to JC's company. Rallo and JC did not discuss the Consulting Agreement, or any work JC might do under the contract. Following that date, Rallo mailed four (4) more \$5,000 checks to JC, and JC never did any actual work under the Consulting Agreement. The only communications between Rallo and JC were some text messages from JC when he wanted to get paid. Rallo ultimately only paid JC \$25,000, not the \$30,000 SWEENEY had told Rallo to pay JC.

October 11, 2016:

Rallo: On a call, will get back to you

JC: Ok

Rallo mailed JC a \$5,000 check which cleared Rallo's business account on October 17, 2016.

November 7, 2016:

JC: Please call me. Thanks

Rallo: Check will go out in the next day or so

Rallo mailed JC a \$5,000 check which cleared Rallo's business account on November 15, 2016.

December 12, 2016:

JC: Please let me know when check is going to be in the mail?
Thanks

Rallo: Still have not been paid yet, should hopefully be this week.
Also, just FYI, December 1st is our last payment per our contract
with the port authority

JC: Ok. Thanks.

Rallo mailed JC a \$5,000 check which cleared Rallo's business account on December 19, 2016.

20. Rallo submitted false monthly reports to the General Counsel for SLEDP because Rallo was hoping that Cardinal Consulting's contract would be renewed for an additional six (6) months. Rallo's last report, covering November, 2016, was so obviously fake that the SLEDP General Counsel talked with defendant SWEENEY and she requested Rallo submit a different report.

December 22, 2016:

SWEENEY: Can you send a different contract report for the last period? The last two read exactly the same and that's not good!

Rallo: Will do

December 23, 2016:

Rallo: Did u receive the report?

SWEENEY: Yes. I didn't get to read it yet but I will. Thanks for sending it.

21. During 2016, in discussions with Stenger, Rallo and two other investors had identified two parcels of vacant property located in Wellston, Missouri which they desired to purchase and develop, "Wellston Industrial" and "Plymouth Industrial." The properties were held by LCRA, and Stenger directed SHEILA SWEENEY to work with Rallo and his partners to make sure that they could purchase the properties from the LCRA. The LCRA is affiliated with SLEDP, and SWEENEY also served on the Board of LCRA. Rallo and his partners, one of whom was also a political donor in Stenger's Trustee program, formed Wellston Holdings, LLC for the sole purpose of purchasing and developing the Wellston properties. St. Louis County had spent several million dollars in clearing, grading, and preparing the two Wellston properties for sale over the years. In carrying out Stenger's direction to make sure Rallo and his group were able to purchase

and develop the properties, SWEENEY directed SLEDP's Director of Real Estate to assist Rallo and his partners in purchasing the Wellston properties; and she directed SLEDP's General Counsel to put together RFPs for the sale of the two properties. SWEENEY set the minimum bid on Plymouth Industrial at "must exceed" \$250,000 and the minimum bid on Wellston Industrial at "must exceed" \$255,499, believing that Rallo's group might be the only group to bid on the properties. Following a September 15, 2016 meeting at Café Napoli between SWEENEY, Rallo, and one of Rallo's partners, SWEENEY began providing information concerning the Wellston properties to Rallo and his group.

September 19, 2016:

Rallo: Did you have a chance to send the Wellston info? Not trying to rush you, just wanted to make sure you had the correct email
[] Thanks

SWEENEY: I sent Friday. Will again.

SWEENEY: Just sent. Interactive map not online yet.

Rallo: Got it. Thanks

September 20, 2016:

SWEENEY: Just sent drawings.

The bid response date on Plymouth Industrial was September 26, 2016, and it required a 1% earnest money deposit to accompany any bids. Rallo's group's bid, however, was for \$250,000, with an earnest money deposit of \$2500 which did not meet the requirement that the bid "must exceed" \$250,000. SWEENEY reviewed Rallo's group's bid response to the RFP, and instructed Rallo to make certain revisions and edits before submitting their final bid.

September 23, 2016

Rallo: Just sent you a draft copy of the [response to the RFP], let me know your thoughts.

SWEENEY: K. I read it. I'm in office so can do in the next few minutes.

Rallo: You're the best! Thanks. Also, sorry to keep you on the phone earlier, I know you were in a hurry

SWEENEY: No worries

September 26, 2016:

Rallo: Did u have a chance to look at the response to the RFP I emailed you on Friday?

SWEENEY: Yes. It looks fine.

Rallo: I'm going to hand deliver it before noon. We need to submit a check for \$2,500 with the RFP correct?

SWEENEY: No need for check until chosen.

Rallo: Thanks

SWEENEY: Make your minimum price \$2501, Not 2500 even. Change the figure in your letter.

SWEENEY: Had a chance to look at [response to RFP]. You didn't address the financing portion of it. #8. And a little more detail on #4.

Rallo: Can [response to RFP] be emailed, or does it need to be hand delivered?

SWEENEY: Can be emailed.

SWEENEY: Did you send updated info?

Rallo: Final touches now, will forward to [General Counsel] before
3

Rallo actually missed the 3:00 p.m. deadline for submitting responses to the RFP, and general counsel for SLEDP raised the deadline issue with SWEENEY. Rallo was also in communication with SLEDP's Director of Real Estate, Joseph Bannister, during this time, as SWEENEY had directed him to assist Rallo in obtaining the properties.

September 26, 2016:

Rallo: Are we good to go w/ the RFP deadline? Call when u get a chance.

Joseph Bannister: Hey you are good. What happened was we got a second proposal. So the lawyer is figuring out exactly what we do now to award to you. Relax. Sheila knows to handle it. Understand?

Rallo: Got it. Thanks Joe.

Joseph Bannister: Dustin [Allison] sending you email in 20 min. Wed[nesday] you will control the property. You need to clean up 2 answers [in Wellston Holdings' response bid].

Rallo: Call me

Joseph Bannister: Ok. I'm sitting w lawyer now. Can't yet.

SLEDP's General Counsel did, in fact, have some questions concerning Wellston Holdings, LLC's bid, and he emailed his questions to Rallo. Rallo sought SWEENEY's review and advice in responding to the General Counsel's inquiry.

September 27, 2016:

Rallo: Got a sec?

SWEENEY: I'm at a happy hour. Can we text. I can't hear!

Rallo: I'll send you a draft of our response to Dustin Allison's email, just wanted to get your thoughts prior to us submitting...

SWEENEY: Send the response. And forward his email. Send it to []

Rallo: Is [] your personal email?

SWEENEY: Yes

Rallo: Perfect! Have one for me

September 28, 2016:

Rallo: Any feedback??

SWEENEY: Give me 10.

SWEENEY: Good, Send it.

Rallo: Thank you my dear!! Btw, are you going to the event [fundraiser] for Steve tomorrow at Napoli?

SWEENEY: Yes. I'll be there.

Rallo: Perfect. I'll buy you a drink....Emailed u copy of what was sent.

Rallo's group was awarded the option to purchase Plymouth Industrial, over a second bidder. As to the second Wellston property, Wellston Industrial, it had a bid response date of April 3, 2017 and, again, a minimum bid which "must exceed" \$255,499. Rallo's group originally bid \$256,000. In a telephone call, SWEENEY advised Rallo that his group should bid \$275,000 for the property, not the minimum bid of \$256,000 because there was another bidder for the property. SWEENEY said it would be better to give the contract to the highest bidder, since Rallo was a Stenger political donor. Rallo's group then submitted a revised and increased bid of \$275,000, which was accepted over the second bidder. The total purchase price for the two Wellston properties was approximately \$525,000.

22. Throughout this period, Rallo continued to make political donations to Stenger, in exchange for Stenger's help and assistance regarding the Consulting Agreement, and the Wellston property purchases. Stenger continued to solicit the political donations from both Rallo and Rallo's business partner in Wellston Holdings, LLC during this period as well.

23. Issues arose which delayed the formal real estate closing of the second Wellston property, and Rallo sought Stenger's assistance once again.

July 7, 2017:

Rallo: Can you help me out w/ Wellston? There's some things that Dustin Allison has really fumbled the ball on...We still haven't closed on the second property. I appreciate it

Stenger: Sure. Let's talk. I'll call. I'm handling a 911

July 11, 2017:

Stenger: John I'm going to be calling later today and Jeff Wagener is calling in the meantime

Rallo: Thanks

August 1, 2017:

Rallo: Can u talk? Need your help on Wellston property....Very important!! I need 2 minutes. Thx

Stenger: U should be getting a call shortly

Rallo: Thanks

August 2, 2017:

Rallo: I appreciate you intervening on Wellston. Looks like things are back on track!!

24. On August 8, 2017, a reporter with the St. Louis Post Dispatch submitted a Missouri Sunshine Law request to SLEDP for information regarding Wellston Holdings, LLC and the sale

of the Wellston properties. The reporter also contacted one of Rallo's partners in Wellston Holdings, LLC for information. In an effort to conceal Stenger's schemes, defendant SWEENEY instructed Rallo not to speak with the Post Dispatch reporter.

August 8, 2017:

Rallo: Jacob Barker from the Post contacted [Wellston Holdings, LLC partner] and was asking a bunch of questions about Wellston & wants to meet tomorrow morning and go to the site....thoughts??? Call when free. Thx

SWEENEY: I have Port meeting at 4:00. Just got Post Sunshine request on Wellston Holdings....Don't talk if they call you. F---. No don't meet him. Trying to make the Steve & you connection. What did [Wellston Holdings, LLC partner] say? F---. I'm in Port meeting. Can't talk. Shit. I hope he didn't say anything.

Due to an ongoing series of investigative stories in the St. Louis Post Dispatch highlighting the political donor connection between Rallo and Stenger, and the Cardinal Consulting contract, SWEENEY, in a further effort to conceal Stenger's schemes, instructed Rallo to remove his name as Registered Agent for Cardinal Consulting from the Missouri Secretary of State records.

December 16, 2017:

Rallo: My attorney is out of town, but will work on it this weekend. It will be taken care of

SWEENEY: Thanks.

Rallo: No problem.

SWEENEY: Got to cover him [Stenger]! And me too!!!!

Rallo: I know, I've got you covered.

On December 19, 2017, per defendant SWEENEY's instruction to Rallo, Rallo's attorney filed paperwork with the Missouri Secretary of State's Office changing the Registered Agent for Cardinal Consulting from Rallo's name to the attorney's name.

The Charge

25. From on or about September 1, 2015 through on or about December 31, 2017, in St. Louis County, in the Eastern District of Missouri, and elsewhere, the defendant,

SHEILA SWEENEY,

having knowledge of the actual commission of a felony cognizable by a Court of the United States, to wit, Honest Services Bribery / Mail Fraud committed by Steven V. Stenger and others known and unknown to the United States, in violation of Title 18, United States Code, Sections 1341, 1346, and 2, did conceal the same by:

a. Failing to advise the Port Authority Board that Stenger had directed SWEENEY to insure his political donor John Rallo and his company, Cardinal Creative Consulting, obtained a Port Authority consulting contract;

b. Failing to advise the Port Authority Board that the Cardinal Creative Consulting contract was increased by \$30,000 in order to pay JC;

c. Instructing John Rallo to revise one of Cardinal Creative Consulting's monthly reports submitted to SLEDP;

d. Failing to advise the LCRA Board that Stenger had directed SWEENEY to insure his political donor John Rallo and his company, Wellston Holdings, LLC, obtained land sales contracts; and,

e. Instructing John Rallo to remove his name as registered agent for Cardinal Consulting Group, LLC.

Defendant did not as soon as possible make known the same to some Judge or other person in civil or criminal authority under the United States.

All in violation of Title 18, United States Code, Sections 4 and 2.

Respectfully submitted,

REGINALD HARRIS
Attorney for the United States
Acting Under Authority Conferred by
28 U.S.C. Section 515



HAL GOLDSMITH, #32984MO
Assistant United States Attorney
Senior Litigation Counsel

UNITED STATES OF AMERICA)
EASTERN DIVISION)
EASTERN DISTRICT OF MISSOURI)

I, Hal Goldsmith, Assistant United States Attorney for the Eastern District of Missouri,
being duly sworn, do say that the foregoing information is true as I verily believe.



HAL GOLDSMITH, #32984MO

Subscribed and sworn to before me this 7th day of May, 2019.



CLERK, U.S. DISTRICT COURT

By: 

DEPUTY CLERK



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